

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

|  |  |  |
|--|--|--|
| <b>In re:</b><br><br><b>W.R. GRACE &amp; CO., et al.,</b><br><br><b>Debtors.</b> | <b>§</b><br><b>§</b><br><b>§</b><br><b>§</b><br><b>§</b><br><b>§</b> | <b>Chapter 11</b><br><br><b>Jointly Administered</b><br><b>Case No. 01-01139 (JKF)</b> |
|--|--|--|

**FEE AUDITOR'S FINAL REPORT REGARDING THE  
FORTY-FOURTH QUARTERLY INTERIM FEE APPLICATION  
OF PACHULSKI STANG ZIEHL & JONES LLP**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Forty-Fourth Quarterly Interim Fee Application of Pachulski Stang Ziehl & Jones LLP (the "Application").

**BACKGROUND**

1. Pachulski Stang Ziehl & Jones LLP ("Pachulski") was retained as counsel to the Debtors. In the Application, Pachulski seeks approval of fees totaling \$114,248.50 and expenses totaling \$69,701.38 for its services from January 1, 2012, through March 31, 2012 (the "Application Period").

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2012, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C.

§ 330, Issued January 30, 1996 (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served an initial report on Pachulski based upon our review, and we received a response from Pachulski, portions of which response are quoted herein.

### DISCUSSION

3. We noted several sets of identical postage expenses on the February 2012 monthly fee application:

|          |    |   |            |
|----------|----|---|------------|
| 02/13/12 | PO | 91100.00001: Postage Charges for 02-13-12 | \$14.30    |
| 02/13/12 | PO | 91100.00001: Postage Charges for 02-13-12 | \$53.30    |
| 02/13/12 | PO | 91100.00001: Postage Charges for 02-13-12 | \$1.80     |
| 02/13/12 | PO | 91100.00001: Postage Charges for 02-13-12 | \$1,060.90 |
| 02/13/12 | PO | 91100.00001: Postage Charges for 02-13-12 | \$20.60    |
| 02/13/12 | PO | 91100.00001: Postage Charges for 02-13-12 | \$14.30    |
| 02/13/12 | PO | 91100.00001: Postage Charges for 02-13-12 | \$53.30    |
| 02/13/12 | PO | 91100.00001: Postage Charges for 02-13-12 | \$1.80     |
| 02/13/12 | PO | 91100.00001: Postage Charges for 02-13-12 | \$1,060.90 |
| 02/13/12 | PO | 91100.00001: Postage Charges for 02-13-12 | \$20.60    |
| 02/23/12 | PO | 91100.00001: Postage Charges for 02-23-12 | \$16.90    |
| 02/23/12 | PO | 91100.00001: Postage Charges for 02-23-12 | \$16.90    |
| 02/28/12 | PO | 91100.00001: Postage Charges for 02-28-12 | \$22.80    |
| 02/28/12 | PO | 91100.00001: Postage Charges for 02-28-12 | \$14.30    |
| 02/28/12 | PO | 91100.00001: Postage Charges for 02-28-12 | \$6.60     |
| 02/28/12 | PO | 91100.00001: Postage Charges for 02-28-12 | \$227.70   |
| 02/28/12 | PO | 91100.00001: Postage Charges for 02-28-12 | \$22.80    |
| 02/28/12 | PO | 91100.00001: Postage Charges for 02-28-12 | \$14.30    |
| 02/28/12 | PO | 91100.00001: Postage Charges for 02-28-12 | \$6.60     |
| 02/28/12 | PO | 91100.00001: Postage Charges for 02-28-12 | \$227.70   |

We asked Pachulski whether any of these expenses were duplicates, and Pachulski responded, “[T]hese are duplicates so one set should be deducted.” We appreciate Pachulski’s response and recommend a reduction of \$1,439.20 in expenses.

### CONCLUSION

4. Thus, we recommend approval of \$114,248.50 in fees and \$68,262.18 in expenses (\$69,701.38 minus \$1,439.20) for Pachulski's services for the Application Period.

Respectfully submitted,

**WARREN H. SMITH & ASSOCIATES, P.C.**

By: \_\_\_\_\_



Warren H. Smith

Texas State Bar No. 18757050

2235 Ridge Road, Suite 105

Rockwall, Texas 75087

214-698-3868

214-722-0081

whsmith@whsmithlaw.com

**FEE AUDITOR**

### CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 20<sup>th</sup> day of July, 2012.



Warren H. Smith

**SERVICE LIST**

**Notice Parties**

**The Applicant**

Laura Davis Jones  
James E. O'Neill  
Pachulski Stang Ziehl & Jones LLP  
919 North Market Street, 17<sup>th</sup> Floor  
P.O. Box 8705  
Wilmington, DE 19899-8705

[ljones@pszjlaw.com](mailto:ljones@pszjlaw.com)  
[joneill@pszjlaw.com](mailto:joneill@pszjlaw.com)

**The Debtors**

Richard Finke  
Assistant General Counsel  
W.R. Grace & Co.  
7500 Grace Drive  
Columbia, MD 21044

**Counsel for the Debtors**

Deanna Boll  
Kirkland & Ellis  
601 Lexington Avenue  
New York, NY 10022-4611

**Counsel for the Official Committee of  
Unsecured Creditors**

Lewis Kruger  
Stroock & Stroock & Lavan  
180 Maiden Lane  
New York, NY 10038-4982

Michael R. Lastowski, Esq.  
Duane Morris LLP  
1100 N. Market Street, Suite 1200  
Wilmington, De 19801-1246

**Counsel to the Official Committee of Property  
Damage Claimants**

Scott L. Baena, Esq  
Bilzin, Sumberg, Dunn, Baena, Price & Axelrod  
First Union Financial Center  
200 South Biscayne Boulevard, Suite 2500  
Miami, FL 33131

Michael B. Joseph, Esq.  
Ferry & Joseph, P.A.  
824 Market Street, Suite 904  
P.O. Box 1351  
Wilmington, DE 19899

**Counsel to the Official Committee of Personal  
Injury Claimants**

Elihu Inselbuch, Esq.  
Caplin & Drysdale  
375 Park Avenue, 35<sup>th</sup> Floor  
New York, NY 10152-3500

Marla R. Eskin  
Campbell & Levine, LLC  
Suite 300  
800 N. King Street  
Wilmington, DE 19801

**Official Committee of Equity Holders**

Gary M. Becker  
Kramer Levin Naftalis & Frankel  
1177 Avenue of the Americas  
New York, NY 10036

Teresa K. D. Currier  
Saul Ewing LLP  
222 Delaware Avenue  
P.O. Box 1266  
Wilmington, DE 19899

**United States Trustee**

David Klauder  
Office of the United States Trustee  
844 King Street, Suite 2311  
Wilmington, DE 19801